



# Iowa General Assembly

## 2004 Committee Briefings

Legislative Services Agency – Legal Services Division

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### ADOPTION SUBSIDY PROGRAM STUDY COMMITTEE

**Meeting Dates:** [November 8, 2004](#)

**Purpose.** *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <http://www.legis.state.ia.us>, or from the agency connected with the meeting or topic described.*

### ADOPTION SUBSIDY PROGRAM STUDY COMMITTEE

November 8, 2004

**Cochairperson:** Senator James Seymour

**Cochairperson:** Representative Polly Granzow

**Overview.** The committee received testimony from the Department of Human Services (DHS), Iowa Foster and Adoptive Parents Association, parents who have adopted special needs children, and the Child and Family Policy Center. The committee was authorized for one meeting day and completed its deliberations at this meeting.

**Department of Human Services.** Ms. Mary Nelson, DHS Division Administrator, and Ms. Charlcie Parrish, Adoption Program Manager, provided an overview of the adoption subsidy program and how it was changed following the 2004 Legislative Session. The program was established as a result of 1980 federal legislation. Almost all of the families adopting children placed by DHS receive a subsidy. The number of adoption subsidy program children is projected to average 6,825 in FY 2004-2005, as compared to the approximately 4,000 children in foster care placements at any given time. Approximately 47 new cases per month will enter the adoption subsidy program.

Outcomes are better for children who have been adopted than for those who remain in foster care and the cost of the placement is lower. Iowa has been very successful with the adoption subsidy program but this has resulted in significant, regular increases in costs for the program. An additional \$4 million is projected to be needed to address the new cases and increased costs in FY 2005-2006. Several legislators expressed concern as to whether this amount of new funding can be made available. It was suggested that the growth in the cost of this program, in which funding has been committed through agreements with adoptive parents, has taken funding from other needs, including prevention programs.

**Iowa Foster and Adoptive Parents Association (IFAPA).** Ms. Lynhon Stout, IFAPA Director, and Ms. Angela Stark, Adoption Information Specialist, made presentations and then introduced a panel of parents who have adopted special needs children and who participate in the adoption subsidy program: Mr. Ron Cronk and Ms. Julie Cronk of Des Moines, Ms. Karmen Inman of Des Moines, Ms. Dianne Larson and Mr. Mike Gorton of Cedar Falls, Ms. Susan Weber of Des Moines, and Ms. Sandra Thompson of Urbandale. Ms. Stout explained the role of IFAPA in recruiting, training, and supporting foster and adoptive parents utilizing funding provided by contracts with DHS and contributions. Ms. Stark discussed a report submitted in advance, emphasizing the positive effects of adoption on children who have been removed from their parents and the special needs of such children, explaining the federal timeframe requirements for the state to either reunite the child with parents or terminate parental rights, noting the growth in subsidized adoptions, and making recommendations.

The adoptive parents told about their adoptive children, the effect the adoption subsidy program has had in making their adoptions possible, the type and extent of the special needs exhibited by the children, the positive impact of the federal adoption tax credit, the importance of the linkage between the foster parent system and the adoptive parent system, and the need for flexibility in negotiating the adoption subsidy since the special needs of many children don't become apparent

until years after the adoption occurs. A number of the presenters indicated that they have incurred substantial health care costs relating to their adopted children, noting that their private insurance provides the initial coverage with Medicaid used as the insurer of last resort. All cautioned against making changes that would discourage current and future parents from adopting special needs children.

**Child and Family Policy Center.** Dr. Charles Bruner, Executive Director, and Ms. Karon Perlowski, Deputy Director for the Center, provided information about Iowa's adoption subsidy program from a survey of parents performed in 1999 and perspectives concerning the program as compared with other states. They made recommendations for monitoring the effects of the program changes made by DHS.

**Discussion.** Through the course of the day, a number of questions were discussed by members, including the following:

- Since funding has been flat in recent years, the adoption subsidy program's entitlement status has resulted in reductions of programs such as family preservation and other programs intended to address family problems. If additional funding is not provided to address the increasing number of adopted children and cost increases, other programs will have to be reduced. There was extensive discussion as to whether responsibility for reduction decisions and allocations of funds should rest with DHS or the General Assembly.
- DHS does not project that shifting children from foster care to adoption status will make a reduction in funding for foster care spending possible. It's believed that family problems, growth in parental use of methamphetamine and other drugs, and other factors will continue to drive the need for foster care.
- A number of presenters emphasized the importance of continual training opportunities and communications for DHS workers and adoptive families to improve quality and consistency of the adoption subsidy program throughout the state.

**Recommendations.** The members approved the following recommendations to the General Assembly:

1. That a fiscal analysis be prepared of adoption subsidy program options.
2. That the General Assembly perform further review of the adoption subsidy program during the 2005 Legislative Session.

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